

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
1998 Biennial Regulatory Review –) CC Docket No. 98-131
Part 61 of the Commission's Rules and)
Related Tariffing Requirements.)

REPLY COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint") hereby respectfully submits its replies to the comments filed October 16, 1998 in this matter.

Frontier

Frontier Corporation ("Frontier") supports the Commission's goals in this docket, but declares that the changes proposed in Appendix A to the NPRM would not accomplish those goals. Consequently, attached to its comments, Frontier provides a detailed analysis of the current Part 61 rules and proposes changes that it believes will more accurately reflect current tariff filing practices.

Sprint agrees, as it noted in its October 16, 1998 comments in this matter, that the Commission's goals are admirable, but that its proposed changes to Part 61 do not necessarily mirror the realities of today's tariff and price cap filing practices. Sprint submitted with its initial comments certain changes to the Commission's proposal that it determined were required in order to cure many of these problems. Frontier's Attachment 1 goes into even greater detail in this

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regard. Sprint has reviewed Frontier's suggested changes and finds them to be a highly accurate reflection of current filing procedures. Therefore, Sprint urges the Commission to replace Appendix A to the NPRM, in its entirety, with Frontier's Attachment 1.

Bell Atlantic Telephone Companies

Among other suggestions, Bell Atlantic Telephone Companies ("Bell Atlantic") suggests that forecasts of the base factor portion ("BFP") are not necessary under the price cap regime. Accordingly, it urges the Commission to do away with the requirement that price cap LECs perform annual BFP cost forecasts.

Sprint has gone on record numerous times over the past several months in support of eliminating the need for BFP forecasts. The BFP has historically been based on an estimated number which, by virtue of being an estimate, resulted in imprecise numbers (and, in the most recent annual access filings, refunds). It is for these very reasons that Sprint has continuously voiced its support for the use of historical rather than forecasted information in the development of common line rates. Sprint, therefore, supports Bell Atlantic's call for the elimination of forecasts in the calculation of the base factor portion.

Telecommunications Resellers Association

The Commission's proposal to require interexchange carriers that currently have tariffs combining their domestic and international services to file

separate tariffs for domestic and international services was opposed by interexchange carriers.¹ Like AT&T, it has been Sprint's experience that a tariff integrating the domestic and international components of a product is more convenient and less confusing to customers. As AT&T points out, it would be a monumental effort to separate domestic and international service offerings, and it is doubtful that the benefits of this separation would outweigh the associated costs. Because of the burden on smaller carriers of separating service offerings into two tariffs, TRA proposes that the new rule should be applied only to carriers filing new tariffs after the adoption of the rule. Sprint supports TRA's proposal that would allow Sprint and other carriers that currently have integrated tariffs to maintain them but which would ensure that all new carriers would file separate tariffs.

AT&T

In its comments, AT&T objects to the proposed Section 61.22(a) which would require carriers to file only one tariff on each diskette or CD-ROM (AT&T at p. 3). Sprint also files multiple tariffs on a diskette when space permits. Sprint, therefore, agrees with AT&T that a requirement for separate diskettes or CD-ROMs would add to the carrier's filing costs and require additional storage expense for the Commission.

AT&T also requests that carriers be allowed "to issue their tariffs using more recent versions of WordPerfect and Microsoft Word software, provided

¹ AT&T Corp at 8-10; Sprint at 7; TRA at 4-5.

that the diskette or CD-ROM that is filed provide the ability to convert the file to the particular releases (WordPerfect 5.1 and Word 6) specified by the Commission”(Id. at p. 4). Sprint has no objection to AT&T’s request to afford carriers this increased flexibility. However, because Sprint’s federal tariffs are in the Commission-specified WordPerfect 5.1 software and cannot be easily converted to another software or generation, Sprint urges the Commission not to specify any particular product or generation which would require it and other interexchange carriers to redo their tariffs.

United States Telephone Association

The overarching theme of the United States Telephone Association (“USTA”) comments is that incumbent local exchange companies (“ILECs”) should be afforded more pricing flexibility. Sprint does not, as a general rule, disagree with the notion that the LECs should be given appropriate pricing flexibility; however, it disagrees with USTA’s specific proposal on two fronts.

First, the types of changes UTSA seeks would require major shifts in current regulatory policy. Sprint asserts that the instant proceeding is not the appropriate docket in which to raise such issues. Instead, the Commission is considering LEC pricing flexibility, among other matters, in its pending *Access Reform*² docket. The USTA, as well as many of its individual members, has filed

² *In the Matter of Access Charge Reform*, CC Docket No. 96-262; Public Notice released October 5, 1998 (FCC 98-256). Comments were filed October 29, 1998; replies were submitted November 9, 1998.

comments in that docket and thus can rest assured that the Commission will address its concerns.

Second, and more fundamentally, the amount of flexibility USTA seeks is inconsistent with what current market pressures demand. As Sprint stated in its October 26th comments in the *Access Reform* docket:

As a corporation with substantial ILEC interests, Sprint fully understands the motivations of the RBOCs. Every bit of deregulatory relief the RBOCs seek in this docket and elsewhere is something that Sprint's ILEC division would like to have as well. Sprint shares the RBOCs' view that when an ILEC's local bottleneck has truly been broken, there is no need to subject its services to regulation. Thus, Sprint fully supports, in principle, the notion that regulation should gradually diminish as changes in market forces warrant such action. However, the Commission must be on the alert to distinguish between what ILECs want in the way of access pricing flexibility and what they truly need in order to have a fair opportunity to compete effectively in the access market. In Sprint's view, the RBOCs are asking for more than they legitimately need at this time. (Pp. 9-10, emphasis in original)

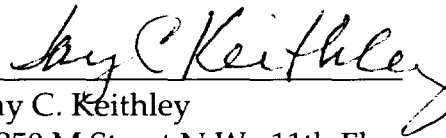
The task being undertaken in this docket is fundamentally an administrative one – to update the Commission's tariff filing rules to reflect today's actual tariff-filing practices. USTA's requests concerning LEC pricing flexibility, as well as its attempts to have price cap LECs and rate-of return LECs treated differently with respect to such pricing flexibility, are better left to policy-making proceedings. The Commission should remove USTA's policy proposals from this docket.

USTA next asserts that ILECs should be provided with the ability to file contract-based tariffs. It argues that LECs should be able to respond to customer

demands in the same manner as their competitors do today. Contract-based tariffs would, in USTA's opinion, not only level the competitive playing field, but would provide more customer options, more competitive pricing and more service providers. In support of its assertions, USTA cites an order issued by the Public Utilities Commission of the State of California in which that commission finds that ILECs should have greater contracting flexibility in competitive areas.

Sprint does not disagree that LECs should have pricing and contracting flexibility when and where competition truly exists. However, as noted above, that situation does not exist today, at least to a degree that requires or justifies the flexibility USTA seeks here. Consequently, for the reasons outlined above, the Commission should dismiss USTA's request that LECs be permitted to file contract-based tariffs.

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November 16, 1998

CERTIFICATE OF SERVICE

I, Melinda L. Mills, hereby certify that I have on this 16th day of November 1998, served via U.S. First Class Mail, postage prepaid, or Hand Delivery, a copy of the foregoing "Reply Comments of Sprint Corporation" In the Matter of 1998 Biennial Regulatory Review -- Part 61 of the Commission's Rules and Related Tariffing Requirements, CC Docket No. 98-131, filed this date with the Secretary, Federal Communications Commission, to the persons on the attached service list.



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